On 2/21, CMS released the Advance Notice of Methodological Changes for CY 2015 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies. Please note that risk adjustments are impacted. This document highlights the proposed salient items affecting risk adjustments.

Blended Model Will Continue
The blended model that is in place for PY 2014 will be extended into PY 2015. To review, the risk scores are weighted using:

- **Model 12**: 75%
- **Model 22**: 25%

*Cognisight will refresh last year’s forecasts using 2013 data for you. This will be completed in time for your bid development.*

Other Model Changes

**Medical HCCs**
There does not appear to be any medical HCC model changes including relative factors/co-efficients.

**Rx HCCs**
There are some changes to the Rx HCC for both stand-alone PDPs and MA-PDs. Highlights include:

- Model changes to complement the proposed changes to the 2015 benefit structure
- Update to the data years used to calibrate the model
- Clinical updates to the hierarchical conditions
  - Decrease from 78 to 76 RxHCCs (net result of the addition of two new HCCs and the removal of 4 RxHCCs)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Current</th>
<th>New</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA Coding Adjustment</td>
<td>-4.91%</td>
<td>-5.16%</td>
<td>Negative</td>
</tr>
<tr>
<td>Normalization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013 (Model 12)</td>
<td>-1.041</td>
<td>-0.997</td>
<td>Positive</td>
</tr>
<tr>
<td>2014 (Model 22)</td>
<td>-1.026</td>
<td>-0.998</td>
<td>Positive</td>
</tr>
<tr>
<td>ESRD Dialysis</td>
<td>1.039</td>
<td>0.990</td>
<td>Positive</td>
</tr>
<tr>
<td>Functioning Graft</td>
<td>1.085</td>
<td>1.004</td>
<td>Positive</td>
</tr>
</tbody>
</table>

Risk Adjustments from Prospective Assessments
Risk adjustments from prospective assessments will still be eligible, so long as each condition is documented in a subsequent encounter. CMS is considering a 60 day window for follow-up to the provider to confirm the diagnoses. CMS needs to ensure actual plan liability associated with the provision of treatment for the conditions obtained from a prospective assessment.

Operational solutions to accommodate this requirement are under review for clients who use this service.

It is important to note this new restriction does not conflict with or change the requirements to the SNP Models of Care.

Comment Period
The comment period closes March 7, 2014 at 6:00 PM EST.